



**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**BUREAU OF HEALTH, NUTRITION & COMMUNITY SERVICES**

**Administrative Memorandum**

<b>NUMBER</b> 03-14	<b>DATE</b> 4/30/03
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**SUBJECT: INITIATING A REFERRAL FOR INVESTIGATION - WELFARE FRAUD  
PREVENTION & INVESTIGATIONS SECTION**

**REFERENCE: AD 3359, 08/01/91, AD3348, 07/02/91, AD 3584, 01/03/94,  
AM 97-72, 11/13/96**

**SPECIAL ATTENTION:**

☒ CalWORKs    ☒ Food Stamps    ☒ General Relief    ☒ CAPI

☒ IHSS    ☒ GAIN

**I. BACKGROUND/PURPOSE**

This Administrative Memorandum is to reinforce existing procedures for Eligibility Workers (EW) when initiating a fraud referral to the Welfare Fraud Prevention & Investigations Section (WFP&I).

**II. POLICY**

The Early Fraud Detection/Prevention (EFD/P) program provides for Early Fraud Investigators to be stationed in all district offices with cash or Food Stamp programs. As part of the Department's overall effort to reduce the Food Stamp error rate, a fraud referral shall be initiated whenever the EW suspects that an applicant or participant is providing false information or failing to report essential information.

An **Early Fraud** referral is a referral made on any **new application** for CalWORKs, Non-Assistance Food Stamps (NAFS), Homeless Assistance (HA) or Diversion funds. The Early Fraud referral should be made to the EFD/P unit housed in the district office whenever the EW believes that an **applicant** is providing false or incomplete information.

An **Early Action** referral should be made to the EFD/P unit housed in the district office on an **approved** case any time the EW believes that a **participant** has provided fraudulent information or omitted essential information that affects the participant's current or future eligibility.

If the applicant or participant is current eligibility, but there is a question of **fraud in prior months**, the EW is to direct the fraud referral to the WFP&I Section Headquarters.

### III. PROCEDURES

#### A. ELIGIBILITY WORKER

A fraud referral shall be completed when the EW believes that the applicant or participant on behalf of him/herself or others has done any of the following:

- Knowingly and with intent to deceive or defraud, made a false statement or representation to obtain benefits, to obtain a continuance or increase of benefits or to avoid a reduction, termination or denial of benefits.
- Knowingly and with intent to defraud, failed to disclose a fact which if disclosed could result in a denial, reduction or discontinuance of benefits.
- Accepted benefits knowing he/she was not entitled to those benefits, or accepted any amount of benefits, knowing the amount of benefits received was greater than the amount to which he/she was entitled.
- Failed to report information pertinent to eligibility or benefits, which resulted in an overpayment or overissuance of benefits, or both.
- Failed to cooperate in providing necessary verification/documentation regarding a questionable situation, which affected the applicant/participant's eligibility or the amount of benefits for which the applicant/participant was eligible.

##### 1. To Initiate a Referral for Investigation:

All non-LEADER districts/programs (IHSS, GAIN, etc) are to continue using the PA 140 to refer cases to WFP&I headquarters, per existing procedures.

For LEADER districts, all fraud referrals, including IEVS referrals, are to be initiated through the Fraud/Early Fraud Referral Screen found under the LEADER Fraud Subsystem. The EW must ensure that the following steps are completed:

- Click **"Add"** from the Fraud/Early Fraud Referral Screen option button.
- Select the **"Early Fraud"** button to make a referral to the EFD/P Unit; or
- Select the **"Fraud"** button for a referral to WFP&I headquarters.
- Select and complete the appropriate sections in the **Fraud/Early Fraud Referral** screen.
- Click the **Referral Detail** button.
- Complete as many sections as possible in the **"Suspect Data"** screen found in the "Fraud Suspect/Intake" screen.

### III. PROCEDURES (continued)

#### A. ELIGIBILITY WORKER (continued)

##### 1. To Initiate a Referral for Investigation: (continued)

- Forward paper documents supporting the allegation, such as questionable birth certificate, Social Security card, statement from an employer or landlord to the Investigator. All IEVS abstracts should be sent to WFP&I headquarters by County mail.

**Note:** Print a copy of the **Fraud Suspect/Intake** screen and attach it to the paper documents. Paper documents, other than IEVS abstracts, can be put in the designated basket located in the Early Fraud Unit or they can be sent to WFP&I headquarters by County mail, to the attention of the Intake Unit.

- Click on the **"Individual Inquiry"** button to select the correct case name, CIN# and case number for the applicant/participant or case being referred for investigation before leaving the Fraud Suspect/Intake screen. After identifying the correct case, click on the **"Select Case"** button on the "Individual Inquiry" screen. The case name, case number, CIN # and address fields will automatically populate on the "Fraud Suspect/Intake" screen once you select the correct case. This is a necessary step in order to ensure the correct case is referred for investigation.

**Note:** If the suspect's name is not the same as the case name, enter the case name information in the "Suspect Data" box. Enter the information about the suspect on the **"Involved Persons"** tab.

- Enter as much information as possible for other person(s) suspected of fraud, such as the absent parent or the other parent or another adult living in the home, on the **"Involved Persons"** tab.
- Choose the reason(s) for the referral in the "Choices" box on the **"Reasons"** tab and click on the **"Add"** button. More than one reason may be selected.
- Use the **"Remarks"** tab to briefly explain your reason(s) for making the referral or to provide the investigator with pertinent information about the case or the suspect.
- The final tab, **"Assessment,"** is used to complete information about a "fact finding" interview the EW may have had with the applicant/ participant.
- **Do not** complete the box labeled "To Be Completed by Fraud Investigator" on the **"Assessment"** tab.
- Right click and select **"Save"** to complete the fraud referral. LEADER will give each fraud referral a **"Fraud #"** and forward the fraud referral to the Early Fraud

### III. PROCEDURES (continued)

#### A. ELIGIBILITY WORKER (continued)

##### 1. To Initiate a Referral for Investigation: (continued)

unit or to WFP&I headquarters. The "Fraud #" for a referral to Early Fraud will begin with an "E." The fraud number for a referral sent to WFP&I Headquarters

- will begin with an "F."

##### 2. To Access the Results of the Investigation:

The WFI will use the "Future Action Controls" subsystem to make a "User Control Request" with the results of the investigation. To access the "User Control Request", the EW shall complete the following:

Click on the "Action Control Listing".

When the screen opens, highlight the message "New Data From WFP&I."

Click on the "Detail/Disposition" screen button.

The "Action Control Detail/Disposition" screen will open with the investigative findings from the Welfare Fraud Investigator.

**Note:** The EW may also check for the investigative findings using the "Action Control Search" screen in the "Future Action Controls" subsystem or the "Fraud Inquiry Screen" in the "Fraud Subsystem." Often the WFI will also document findings on the "Case Comments" screen of the LEADER case record.

##### 3. Negative Fraud Findings:

If the investigative findings are **negative**, no further action is needed by the EW.

##### 4. Positive Fraud Findings:

If the WFI has determined that the result of the investigation is **positive** fraud findings, the EW shall:

Review the fraud findings in the case record.

Take immediate action to deny the application, reduce/terminate benefits or delete the appropriate person(s) from the AU. The EW shall consult the Eligibility Supervisor (ES) if he/she has a question regarding the appropriate action.

### III. PROCEDURES (continued)

#### A. ELIGIBILITY WORKER (continued)

##### 4. Positive Fraud Findings: (continued)

Provide the WFI with information on the disposition of the case through “**User Request Screen**” within ten (10) calendar days from the date the WFI notified the EW of the findings of the investigation. (This date is also shown on the Action Control Listing screen under “FAC Action”).

Notify the WFI immediately, should the applicant or participant report a new address or an address different from the case record address.

**NOTE:** Any interim action and/or report from the EW should be forwarded to the Early Fraud WFI through Future Action Control/Reminder Request screen.

#### B. ELIGIBILITY SUPERVISOR (ES)

If the disposition on a case with positive fraud findings is not received by the due date, the Supervising Welfare Fraud Investigator (SWFI) shall provide a copy of the Pre-Delinquent Disposition List, along with a printout of the “User Control Request” screen for each delinquent response to the ES along with a copy to the Deputy District Director/District Fraud Liaison. The ES shall:

Review the Delinquent Disposition list.

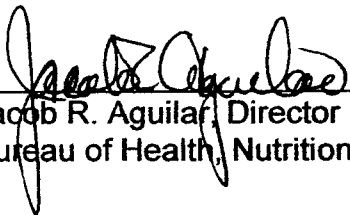
Control for a disposition from the EW within ten calendar days. Forward response to the Deputy District Director/District Fraud Liaison within ten calendar days of receipt of the Delinquent Disposition List.

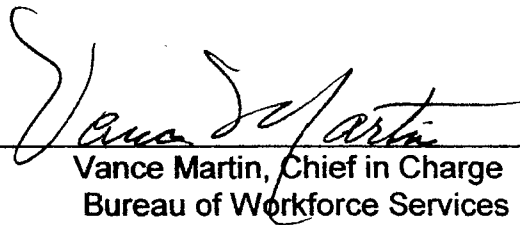
#### C. DEPUTY DISTRICT DIRECTOR/DISTRICT FRAUD LIAISON

The Deputy District Director/District Fraud Liaison shall control for the EW/ES response to WFP&I within 10 days of receipt of the Delinquent Disposition list.

**NOTE:** If the EFD/P unit does not receive the disposition from the Deputy District Director/District Fraud Liaison by the due date, an updated Delinquent Disposition List will be forwarded to the District Director.

Please direct any LEADER related questions regarding this memorandum to the LEADER Operations Specialist (LOS) in your district. Policy questions may be directed to the WFP&I Program Unit at (310) 349-2503.

  
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APPROVAL: ☒ BWS    ☒ BHNCS    ☒ BPPRE  
                  ☒ OIT/LEADER

JRA/VM:SC:LE:mh